

Memorandum

To: Hamilton Employees
From: Michael Lombardo, Town Manager
Date: May 22, 2015
Re: FY' 2016 Health Insurance Open Enrollment and Benefits Fair

The Town's annual Open Enrollment and Benefits Fair will be held this year on **Wednesday, June 3rd** in the Town Hall Memorial Room from 11:00 – 1:00 p.m. Representatives from the following organizations will be available to assist you and help answer questions.

**MIA
Essex Regional Retirement Board
Metropolitan Credit Union**

**Cafeteria Plan Advisors
Smart Plan – Deferred Comp (457)
Salem Five Bank**

The FY' 16 health insurance rates for Network Blue Options v.3 and the PPO Options v.3 will increase by 10.79% over last year's premium. The dental and life insurance rates will remain unchanged. Please refer to the attached spreadsheet showing the annual and bi-weekly breakdown of all the rates.

The Town will continue to offer the healthcare **FSA** (Flexible Spending Account) for the upcoming year. With this program, employees can withhold a pre-tax deduction from their bi-weekly payroll check. Your designated allocation, which cannot exceed \$2,550 annually, would be available in your account on July 1st of the new plan year. FSA funds can be used towards medical and dental costs including co-pays and over-the-counter (OTC) items as shown on the OTC list available online. Flexible spending accounts are "use-it-or-lose-it" plans; this means that remaining balances in excess of the \$500.00 rollover benefit at year end cannot be carried over to the next year. Your employer is not permitted to refund any part of the balance to you, so it is important to withhold an amount that you know will be used. All administration costs associated with this program will be paid for by the Town. **Please note that employees currently participating in the FSA program must submit all expenses incurred through June 30th by September 30, 2015. Remaining balances up to \$500.00 will automatically roll over to the new plan year, providing that you've re-enrolled.**

The **HRA** (Health Reimbursement Account) program will be extended another year for all eligible employees. This program provides for 50% reimbursement for hospital inpatient admissions and outpatient surgeries.

The **"Opt-Out"** program is offered to currently enrolled employees, who have been participating in the Town's health plan since July, 2013. The handout, available via the Town's website, explains the purpose and benefits of this program. Employees wishing to "Opt-Out" should submit the completed form along with proof of insurance coverage to the Accounting Department by June 26, 2015. Health insurance premiums are deducted one month in advance; therefore, if you choose to Opt-Out or convert to another plan, adjustments will be reflected in a subsequent paycheck. The Opt-Out payout will be extended for another year for all current participants.

The co-insurance for eligible employees will remain the same at 25% for the Network Blue Options v.3 plan, 45% for the PPO Blue Options v.3 plan and 25% for The Standard life insurance. Please note that Dental Plans are paid 100% by employees with no contribution by the Town. Any call firefighters participating in the Town's health care plan will pay the full cost for their plan selection. **The new rates as shown on the attached will take effect on the June 5, 2015 payroll.**

Please note that Open Enrollment is the only time during the year you are allowed the opportunity to enroll or make changes, unless you have a qualifying event. Please take the time to look over all your benefits carefully to ensure that you are enrolled in a plan and/or have the coverage that best fits your needs. **The Open Enrollment period will run through Friday, June 26, 2015.**

If you need assistance in making a change, please stop by the Accounting Office or contact Dyan Katz at (978) 468-5596. You may also obtain additional information on Flexible Spending Accounts (FSA) by visiting, <http://www.irs.gov/publications/p969>.

All program handouts and forms will be available on the Town's website at www.hamiltonma.gov under Human Resources or by visiting the Accounting Office.

Attachments

FY'16 Health Insurance Rates